



[Billing Code 7709-01-P]

## **PENSION BENEFIT GUARANTY CORPORATION**

### **Missing Participants in Individual Account Plans**

**AGENCY:** Pension Benefit Guaranty Corporation

**ACTION:** Request for information.

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**SUMMARY:** PBGC is soliciting information from the public to assist it in making decisions about implementing a new program to deal with benefits of missing participants in terminating individual account plans. PBGC is interested in stakeholders' views on topics such as the extent of the demand for such a program, the demand for a database of missing participants, the availability of private-sector missing participant services, potential program costs and fees, electronic filing, and the contours of diligent search requirements.

**DATES:** Comments must be received on or before [insert date 60 days after date of publication in the Federal Register].

**ADDRESSES:** Comments may be submitted by any of the following methods:

- Federal eRulemaking Portal: [www.regulations.gov](http://www.regulations.gov). Follow the Web site instructions for submitting comments.
- E-mail: [reg.comments@pbgc.gov](mailto:reg.comments@pbgc.gov).
- Fax: 202-326-4220.
- Mail or Hand Delivery: Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026.

Comments received, including personal information provided, will be posted to [www.pbgc.gov](http://www.pbgc.gov).

Copies of comments may also be obtained by writing to Disclosure Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW, Washington, DC

20005-4026 or calling 202-326-4040 during normal business hours. (TTY and TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4040.)

**FOR FURTHER INFORMATION CONTACT:** Catherine B. Klion, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, Suite 12300, 1200 K Street, NW, Washington DC 20005-4026, [klion.catherine@pbgc.gov](mailto:klion.catherine@pbgc.gov) or 202-326-4024. (For TTY-TTD users, call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:**

Before the Pension Protection Act of 2006, section 4050 of the Employee Retirement Income Security Act (ERISA) required the Pension Benefit Guaranty Corporation (PBGC) to operate (and pension plans to use) a missing participants program limited to single-employer plans covered by title IV of ERISA. The Pension Protection Act of 2006 amended section 4050 to provide for a similar mandatory program for covered multiemployer plans and an optional program for non-covered plans, both individual account plans (defined contribution plans)<sup>1</sup> and defined benefit plans not covered by title IV. It also authorized PBGC to require non-covered plans to submit information to PBGC about missing participants' benefits.

Before making decisions about implementing a missing participants program for terminating individual account plans (which represent the vast majority of non-covered plans), PBGC requires an understanding of the demand for such a program and how that demand might

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<sup>1</sup> ERISA section 3(34) defines both "individual account plan" and "defined contribution plan" as "a pension plan which provides for an individual account for each participant and for benefits based solely upon the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of accounts of other participants which may be allocated to such participant's account."

be affected by fees, minimum benefit requirements, and information requirements, measured against private providers of similar services.

PBGC has made some efforts to conduct research in this area by contacting financial institutions, plan recordkeeping service providers, companies that provide benefit processing services, and sponsors of terminated individual account plans, but found it difficult to draw useful conclusions from these contacts. In addition, PBGC wants input reflecting participant interests. Accordingly PBGC is issuing this request for information.<sup>2</sup>

### **Request for Information**

PBGC is soliciting information from the public on issues related to missing participants in terminating individual account plans. PBGC seeks comments on any and all relevant issues, including the following:

- For pension consultants: Among individual account plans that you are familiar with, what proportion has participants they cannot find? Among such plans, what is the average number of participants the plan cannot find? In your experience, what is the average account balance, and what is the range of account balances, for participants that cannot be found?
- What if any services for missing participants in individual account plans are unavailable in the competitive private marketplace (for example, handling very small benefits or QJSA benefits)? Why are they unavailable (for example, because it is not cost-effective to provide them)?
- If PBGC provided services for missing participants' accounts in terminating individual account plans that were comparable to the services provided by the private sector and charged comparable fees, would you be likely to choose the PBGC program or the private sector program and why? Would it make a difference if PBGC provided a narrower range of services than typical private-sector providers?
- How would individual account plans' choice to use a PBGC missing participants program for such plans — rather than a private-sector service — be affected by

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<sup>2</sup> PBGC is developing amendments to its current missing participants regulation (29 CFR part 4050) to implement the mandatory multiemployer program and to improve the existing single-employer program, regardless of what decisions are made about the optional programs for non-covered plans.

(1) the level of fees PBGC might charge, (2) the minimum benefit size PBGC might accept, (3) optional or mandatory electronic filing, and (4) other possible program features?

- What impact would a PBGC missing participants program for individual account plans have on private-sector benefit processing firms?
- How would you view the value (such as convenience and reliability) of a single database of missing participants' benefits in terminated individual account plans, maintained by PBGC, compared to the burden on plans to provide the data and the burden on PBGC to maintain the database? How would the comparison change if plan reporting of data were voluntary rather than mandatory, making the database less comprehensive? What information should be in the database?
- ERISA section 4050(b)(2) defines a missing participant as "a participant or beneficiary under a terminating plan whom the plan administrator cannot locate after a diligent search." What "diligent search" requirements should apply for individual account plans? Should PBGC offer diligent search services for a fee or post on its website the names of private sector companies that provide diligent search services?
- What special concerns do small plans or their sponsors or participants have regarding the treatment of missing participants in individual account plans?

In addressing these issues, to the extent possible, commenters are requested to provide quantitative as well as qualitative support or analysis where applicable.

Issued in Washington, D.C., this 17th day of June 2013.

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Joshua Gotbaum  
Director  
Pension Benefit Guaranty Corporation

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